

Hyflux Still Expanding

Despite the economic downturn, Singapore-listed water treatment firm Hyflux is still hiring and upbeat about its growth prospects. The company plans to hire 200 to 300 people to operate and maintain water plants in China and Algeria, said chief executive Olivia Lum. There are also no plans to retrench workers or impose pay cuts, she said during a results briefing yesterday.

Full year profits jumped: 79 per cent to a record \$59 million due to higher sales in China, the Middle East and North Africa. Sales more than doubled to \$554 million. Overseas projects accounted for 94 per cent of total revenue in 2008.

This year, Hyflux intends to participate even more in Algeria and China, whose governments are: pump-priming the infrastructure sector, including the water sector, to stimulate growth. "I expect the water business in the municipal sector to grow even in the downturn. A large part of our income and revenue comes from the municipal sector where we're growing very nicely," said Ms Lum.

So far, no projects have been delayed or cancelled, said Hyflux group deputy chief executive Sam Ong. The firm's order book of \$1.15 billion is expected to see them through the next 2 to 3 years, he added.

Even so, Hyflux is not immune to the deteriorating economic conditions. It said sales of its membrane systems to petrochemical and pharmaceutical firms could slow, as the Chinese economy weakens. This group of customers represents 14 per cent of total sales.

With prospects looking relatively rosy, why then has a major shareholder – Istithmar World, the investment arm of the United Arab Emirates government — been paring its stake since January?

Mr Ong said the reductions had little to do with Hyflux's fundamentals. The financial meltdown has compelled funds from all over to restructure their portfolios and it was inevitable that some of Hyflux shareholders had to do the same, he said.

"Istithmar is a long-term and strategic shareholder and they've been with us for a long time, since 2004. Istithmar remains committed to Hyflux and the board seat for Istithmar will remain," Mr Ong said.

About Hyflux Ltd

Hyflux Ltd began in 1989 as Hydrochem (S) Pte Ltd, a trading company selling water treatment systems in Singapore, Malaysia and Indonesia and later, China. A little more than a decade later, Hyflux Ltd became the first water treatment company to be listed on the Singapore Stock Exchange in January 2001.

Today, Hyflux has grown beyond just a water treatment company. It is recognized as Asia's leading environmental company with operations and projects namely in Singapore, China, the Middle East & North Africa and India.

Specialising in membrane technologies, Hyflux is an integrated solutions provider offering services that include design development, pilot testing, systems integration, and engineering, procurement and construction. It is also engaged in the commissioning, operation and maintenance of a wide range of water and liquid treatment systems on a turnkey or Design-Build-Own-Operate (DBOO) arrangement. ■

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